

SCHWARTZER & MCPHERSON LAW FIRM
 2850 South Jones Boulevard, Suite 1
 Las Vegas, Nevada 89146-5308
 Tel: (702) 228-7590 · Fax: (702) 892-0122

Annette W. Jarvis, Utah Bar No. 1649
 RAY QUINNEY & NEBEKER P.C.
 36 South State Street, Suite 1400
 P.O. Box 45385
 Salt Lake City, Utah 84145-0385
 Telephone: (801) 532-1500
 Facsimile: (801) 532-7543
 Email: ajarvis@rqn.com

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and
 Lenard E. Schwartzer
 Nevada Bar No. 0399
 Jeanette E. McPherson
 Nevada Bar No. 5423
 Schwartzer & McPherson Law Firm
 2850 South Jones Boulevard, Suite 1
 Las Vegas, Nevada 89146-5308
 Telephone: (702) 228-7590
 Facsimile: (702) 892-0122
 E-Mail: bkfilings@s-mlaw.com
 Attorneys for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED
 FUND, LLC,
 Debtor.

Chapter 11

**Jointly Administered Under
 Case No. BK-S-06-10725 LBR**

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

**MONTHLY OPERATING REPORT
 FOR FEBRUARY 2007 (AFFECTS
 USA COMMERCIAL MORTGAGE
 COMPANY)**

Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA Capital First Trust Deed Fund, LLC
- ☐ USA Securities, LLC

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: USA Commercial Mortgage Company

Case No. 06-10725-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 02/28/07PETITION DATE: 04/13/06

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of April 13, 2006</u>
2. Asset and Liability Structure			
a. Current Assets	\$64,541,746	\$70,661,720	
b. Total Assets	\$122,916,665	\$129,504,279	\$122,468,825
c. Current Liabilities	\$26,118,037	\$32,639,284	
d. Total Liabilities	\$87,752,377	\$94,465,005	\$61,634,630
			Cumulative (Case to Date)
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	
a. Total Receipts	\$8,435,507	\$1,854,208	\$23,462,769
b. Total Disbursements	\$6,795,376	\$782,992	\$13,637,516
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$1,640,131	\$1,071,216	\$9,825,253
d. Cash Balance Beginning of Month	\$8,761,354	\$7,690,138	\$576,231
e. Cash Balance End of Month (c + d)	\$10,401,485	\$8,761,354	\$10,401,485
	<u>Current Month</u>	<u>Prior Month</u>	Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations	\$125,014	(\$352,873)	(\$3,843,605)
5. Account Receivables (Pre and Post Petition)	\$14,270,376	\$22,026,889	
6. Post-Petition Liabilities	\$26,118,037	\$32,639,284	
7. Past Due Post-Petition Account Payables (over 30 days)	\$95,241	\$40,592	

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | | x |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | x | |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | x | |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | | x |
| 12. Is the estate insured for replacement cost of assets and for general liability? | | x |
| 13. Are a plan and disclosure statement on file? | x | |
| 14. Was there any post-petition borrowing during this reporting period? | | x |
15. Check if paid: Post-petition taxes X ; U.S. Trustee Quarterly Fees X ; Check if filing is current for: Post-petition tax reporting and tax returns: X .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 8/16/2007 0:00


Responsible Individual

STATEMENT OF OPERATIONS**(General Business Case)**For the Month Ended 02/28/07

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
\$578,322		\$578,322	Revenues:		
		\$0	1 Gross Sales	\$16,314,475	
\$578,322	\$0	\$578,322	2 less: Sales Returns & Allowances		
\$0		\$0	3 Net Sales	\$16,314,475	\$0
\$578,322	\$0	\$578,322	4 less: Cost of Goods Sold (Schedule 'B')		
		\$0	5 Gross Profit	\$16,314,475	\$0
		\$0	6 Interest	\$81,793	
		\$0	7 Other Income:	\$8,044	
		\$0	8 Intercompany allocations	\$334,467	
\$1,609,428		\$1,609,428	9 Gain on Sale of Assets	\$1,609,428	
\$2,187,750	\$0	\$2,187,750	10 Total Revenues	\$18,348,207	\$0
		\$0	Expenses:		
\$199,401		(\$199,401)	11 Compensation to Owner(s)/Officer(s)		
		\$0	12 Salaries	\$1,624,259	
		\$0	13 Commissions	\$140,833	
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
\$48,908		(\$48,908)	15 Personal Property	\$8,861	
		\$0	16 Real Property	\$516,798	
		\$0	17 Insurance	\$41,348	
		\$0	18 Management Fees		
		\$0	19 Depreciation	\$176,590	
		\$0	Taxes:		
\$11,816		(\$11,816)	20 Employer Payroll Taxes	\$88,201	
		\$0	21 Real Property Taxes		
\$2,360		(\$2,360)	22 Other Taxes	\$43,470	
		\$0	23 Other Selling	\$53,084	
\$108,603		(\$108,603)	24 Other Administrative	\$901,112	
		\$0	25 Interest	\$4,556	
		\$0	26 Other Expenses:		
		\$0	27		
		\$0	28		
		\$0	29		
		\$0	30		
		\$0	31		
		\$0	32		
		\$0	33		
		\$0	34		
\$371,088	\$0	(\$371,088)	35 Total Expenses	\$3,599,112	\$0
\$1,816,662	\$0	\$1,816,662	36 Subtotal	\$14,749,095	\$0
		\$0	Reorganization Items:		
(\$1,691,648)		\$1,691,648	37 Professional Fees	(\$18,574,700)	
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
		\$0	41 U.S. Trustee Quarterly Fees	(\$18,000)	
		\$0	42		
(\$1,691,648)	\$0	\$1,691,648	43 Total Reorganization Items	(\$18,592,700)	\$0
\$125,014	\$0		44 Net Profit (Loss) Before Federal & State Taxes	(\$3,843,605)	\$0
		\$0	45 Federal & State Income Taxes		
\$125,014	\$0	\$0	46 Net Profit (Loss)	(\$3,843,605)	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 02/28/07

Assets

		<u>From Schedules</u>	<u>Market Value¹</u>
Current Assets			
1	Cash and cash equivalents - unrestricted		\$2,113,995
2	Cash and cash equivalents - restricted		\$8,287,490
3	Accounts receivable (net)	A	\$14,270,376
4	Inventory	B	\$0
5	Prepaid expenses		\$14,151
6	Professional retainers		
7	Other: Borrowers interest advances		\$23,893,982
8	Funds held in Collection account		\$15,961,752
9	Total Current Assets		\$64,541,746
Property and Equipment (Market Value)			
10	Real property	C	
11	Machinery and equipment	D	
12	Furniture and fixtures	D	
13	Office equipment	D	
14	Leasehold improvements	D	
15	Vehicles	D	
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	Total Property and Equipment		\$0
Other Assets			
22	Loans to shareholders		
23	Loans to affiliates		
24	Related Party loan		\$58,374,919
25	_____		
26	_____		
27	_____		
28	Total Other Assets		\$58,374,919
29	Total Assets		\$122,916,665

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

1 - The method used to estimate the market value of assets was net book value at the end of the current reporting period as market value has not been determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages		
31	Payroll taxes		
32	Real and personal property taxes		
33	Income taxes		
34	Sales taxes		
35	Notes payable (short term)		
36	Accounts payable (trade)	A	\$235,856
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		\$7,882,249
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other: Retirement plan		\$1,105,535
42	Escrow deposit and other liabilities		\$4,916,681
43	Adjustment for Loan Servicing transactions		\$11,977,716
44	Total Current Liabilities		\$26,118,037

Long-Term Post-Petition Debt, Net of Current Portion

46	Total Post-Petition Liabilities		\$26,118,037
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Pre-Petition Liabilities (allowed amount)¹

47	Secured claims ¹	F	\$0
48	Priority unsecured claims ¹	F	\$169,742
49	General unsecured claims ¹	F	\$61,464,598
50	Total Pre-Petition Liabilities		\$61,634,340
51	Total Liabilities		\$87,752,377

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing		\$38,932,893
53	Capital Stock		\$75,000
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		(\$3,843,605)
56	Post-petition contributions/(distributions) or (draws)		
57			
58	Market value adjustment		
59	Total Equity (Deficit)		\$35,164,288
60	Total Liabilities and Equity (Deficit)		\$122,916,665

NOTE:

1 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court. The pre-petition liabilities' amounts above reflect the claimed amounts filed on Schedules.

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days		\$140,615	
31-60 Days		\$55,217	
61-90 Days		\$0	\$95,241
91+ Days		\$40,024	
Total accounts receivable/payable	\$0	\$235,856	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

Schedule B

Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)	Inventory(ies) Balance at End of Month	Cost of Goods Sold
		Inventory Beginning of Month
		Add -
Retail/Restaurants -		Net purchase
Product for resale		Direct labor
		Manufacturing overhead
Distribution -		Freight in
Products for resale		Other:
Manufacturer -		
Raw Materials		
Work-in-progress		
Finished goods		
		Less -
Other - Explain		Inventory End of Month
		Shrinkage
		Personal Use
		Cost of Goods Sold
		\$0
TOTAL	\$0	

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____
 Monthly _____
 Quarterly _____
 Semi-annually _____
 Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost _____
 LIFO cost _____
 Lower of cost or market _____
 Retail method _____
 Other _____
 Explain _____

**Schedule C
Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
Total	\$0	\$0

**Schedule D
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Total	\$0	\$0

Furniture & Fixtures -		
Total	\$0	\$0

Office Equipment -		
Total	\$0	\$0

Leasehold Improvements -		
Total	\$0	\$0

Vehicles -		
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed¹</u> <u>Amount</u>	<u>Allowed²</u> <u>Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes	\$123,916	
Priority tax claims	\$45,826	
General unsecured claims	\$61,464,598	

(a) List total amount of claims even if under secured.

(b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>	<u>Account 5</u>
Bank	Bank of America	Bank of America	Citibank	Bank of America	
Account Type	Analyzed Checking	Analyzed Checking	Business Account	Money Market	
Account No.	3755532383	3755532419	500078217	3755547323	
Account Purpose	General	Payroll	Citibank Interest	Escrow Account	Petty Cash
Balance, End of Month	\$2,093,957	\$19,429	\$309	\$8,287,490	\$300
Total Funds on Hand for all Accounts	\$10,401,485				

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

NOTES:

1 - Claimed Amounts reflects amounts filed on schedules and is subject to change as proof of claims are filed and further pre-petition invoices are identified.

2 - Allowed Amounts have not yet been determined and are contingent upon approval from the Bankruptcy Court.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 02/28/07**

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales	\$856,223	\$7,578,806
3	Interest Received	\$37,600	\$147,480
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		\$5,000
6	Capital Contributions		
7	Management Fees from USA Capital Realty Advisors, LLC		\$1,401,269
8	Tax and Security Deposit Refund		\$5,698
9	Principal Received on Notes Receivable		\$82,832
10	Escrow Deposit/Sale Proceeds	\$6,426,699	\$13,126,699
11	Borrower Funds Received-To be Sent to Compass Partners	\$1,114,985	\$1,114,985
12	Total Cash Receipts	\$8,435,507	\$23,462,769
Cash Disbursements			
13	Payments for Inventory		
14	Selling		\$2,619
15	Administrative	\$91,975	\$659,475
16	Capital Expenditures		
17	Principal Payments on Debt		\$150,645
18	Interest Paid		\$4,888
	Rent/Lease:		
19	Personal Property		\$9,963
20	Real Property	\$25,994	\$569,426
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)	\$199,463	\$1,402,501
27	Management Fees		
	Taxes:		
28	Employee Withholding	\$38,231	\$213,091
29	Employer Payroll Taxes	\$14,251	\$94,063
30	Real Property Taxes		
31	Other Taxes		\$15,028
32	Other Cash Outflows:		
33	Professional Fees Paid in Connection with Chapter 11 Case	\$6,417,462	\$10,497,817
34	U.S. Trustee Quarterly Fees	\$8,000	\$18,000
35			
36			
37			
38	Total Cash Disbursements:	\$6,795,376	\$13,637,516
39	Net Increase (Decrease) in Cash	\$1,640,131	\$9,825,253
40	Cash Balance, Beginning of Period	\$8,761,354	\$576,231
41	Cash Balance, End of Period	\$10,401,485	\$10,401,485

STATEMENT OF CASH FLOWS
(Optional) Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 02/28/07

		Actual	Cumulative
		<u>Current Month</u>	<u>(Case to Date)</u>
Cash Flows From Operating Activities			
1	Cash Received from Sales	\$856,223	\$7,578,806
2	Rent/Leases Collected		
3	Interest Received	\$37,600	\$147,480
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		\$2,619
6	Cash Paid for Administrative Expenses	\$91,975	\$659,475
	Cash Paid for Rents/Leases:		
7	Personal Property		\$9,963
8	Real Property	\$25,994	\$569,426
9	Cash Paid for Interest		\$4,888
10	Cash Paid for Net Payroll and Benefits	\$199,463	\$1,402,501
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax	\$14,251	\$94,063
17	Employee Withholdings	\$38,231	\$213,091
18	Real Property Taxes		
19	Other Taxes		\$15,028
20	Cash Paid for General Expenses		
21	Management Fees from USA Capital Realty Advisors, LLC		(\$1,401,269)
22	Tax and Security Deposit Refund		(\$5,698)
23	Principal Received on Notes Receivable		(\$82,832)
24	Borrower Funds Received-To be Sent to Compass Partners	(\$1,114,985)	(\$1,114,985)
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$1,638,894	\$7,360,016
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case	\$6,417,462	\$10,497,817
30	U.S. Trustee Quarterly Fees	\$8,000	\$18,000
31	Escrow Deposit/Sale Proceeds	(\$6,426,699)	(\$13,126,699)
32	Net Cash Provided (Used) by Reorganization Items	\$1,237	\$2,610,882
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$1,640,131	\$9,970,898
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		\$5,000
40	Capital Contributions		
41	Principal Payments		\$150,645
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	(\$145,645)
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$1,640,131	\$9,825,253
45	Cash and Cash Equivalents at Beginning of Month	\$8,761,354	\$576,231
46	Cash and Cash Equivalents at End of Month	\$10,401,485	\$10,401,485

USA Commercial Mortgage Company
Question 9 - Payments to Professionals
February 1, 2007 - February 28, 2007

	Total Paid During Month
BMC Group	\$ 298,354.00
Gordon & Silver LTD	402,367.08
Lewis and Roca, LLP	375,791.51
Mesirow Financial Interim Management, LLC	3,809,973.95
Ray, Quinney & Nebeker, PC	1,106,924.94
Schwartz & McPherson Law Firm	253,608.74
Sierra Consulting Group, LLC	170,441.69
 Total Fees & Expenses	 <u>\$ 6,417,461.91</u>

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 02/28/07

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales		
3	Interest Received	\$142,878	\$1,879,826
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Cash Received - See Attachment A	\$25,561,481	\$266,870,122
8			
9			
10			
11			
12	Total Cash Receipts	\$25,704,359	\$268,749,948
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		
20	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)		
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes		
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33	Extension/Late Fees/Default Interest Collected on Behalf of USA CM	\$23,131	\$793,410
34	Service Fees Paid to USA Commercial Mortgage	\$387,949	\$3,461,801
35	Payments to Investors	\$13,742,314	\$202,286,391
36			
37			
38	Total Cash Disbursements:	\$14,153,394	\$206,541,602
39	Net Increase (Decrease) in Cash	\$11,550,965	\$62,208,346
40	Cash Balance, Beginning of Period	\$59,710,798	\$9,053,417
41	Cash Balance, End of Period	\$71,261,763	\$71,261,763

USA COMMERCIAL MORTGAGE COMPANY - COLLECTION ACCOUNT
STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 02/28/07

		Actual Current Month	Cumulative (Case to Date)
Cash Flows From Operating Activities			
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received	\$142,878	\$1,879,826
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Cash Received - See Attachment A	(\$25,561,481)	(\$266,870,122)
22	Extension/Late Fees/Default Interest Collected on Behalf of USA CM	\$23,131	\$793,410
23	Service Fees Paid to USA Commercial Mortgage	\$387,949	\$3,461,801
24	Payments to Investors	\$13,742,314	\$202,286,391
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$11,550,965	\$62,208,346
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$11,550,965	\$62,208,346
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$11,550,965	\$62,208,346
45	Cash and Cash Equivalents at Beginning of Month	\$59,710,798	\$9,053,417
46	Cash and Cash Equivalents at End of Month	\$71,261,763	\$71,261,763

USA Commercial Mortgage Company - Collections Account
Attachment A
February 1, 2007 - February 28, 2007

Borrowers	Receipts
5055 Collwood, LLC	\$ 31,276.57
Bundy Canyon \$1,050,000	11,754.17
Bundy Canyon \$7,500,000	250,000.00
Cabernet	71,666.67
Charlevoix Homes, LLC	46,844.44
Columbia Managing Partners	24,739.72
Fiesta Murrieta	72,763.89
Franklin - Stratford Investments, LLC	5,172,931.09
Gateway Stone	14,796,597.89
I-40 Gateway West	2,626,499.68
I-40 Gateway West 2nd	1,101,359.41
Interstate Commerce Center	205,000.00
La Hacienda Estate, LLC	411.36
Palm Harbor One	340,216.00
Rio Rancho Executive Plaza, LLC	655,285.63
Southern California Land 2nd	48,222.22
University Estates	105,911.77
Total Receipts	\$ 25,561,480.51

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 02/28/07

	<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Receipts		
1 Rent/Leases Collected		
2 Cash Received from Sales		
3 Interest Received	\$3,136	\$10,795
4 Borrowings		
5 Funds from Shareholders, Partners, or Other Insiders		
6 Capital Contributions		
7 Return of Funds from Title Company		\$8,900,000
8 Funding Assignments		\$200,000
9		
10		
11		
12 Total Cash Receipts	\$3,136	\$9,110,795
Cash Disbursements		
13 Payments for Inventory		
14 Selling		
15 Administrative		
16 Capital Expenditures		
17 Principal Payments on Debt		
18 Interest Paid		
Rent/Lease:		
19 Personal Property		
20 Real Property		
Amount Paid to Owner(s)/Officer(s)		
21 Salaries		
22 Draws		
23 Commissions/Royalties		
24 Expense Reimbursements		
25 Other		
26 Salaries/Commissions (less employee withholding)		
27 Management Fees		
Taxes:		
28 Employee Withholding		
29 Employer Payroll Taxes		
30 Real Property Taxes		
31 Other Taxes		
32 Other Cash Outflows:		
33 Pre-Petition Check Cleared by Bank after Account Closed		\$100,000
34 Principal Payments to Investors	\$242,500	\$9,837,500
35		
36		
37		
38 Total Cash Disbursements:	\$242,500	\$9,937,500
39 Net Increase (Decrease) in Cash	(\$239,364)	(\$826,705)
40 Cash Balance, Beginning of Period	\$1,388,792	\$1,976,133
41 Cash Balance, End of Period	\$1,149,428	\$1,149,428

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.

USA COMMERCIAL MORTGAGE COMPANY - INVESTOR ACCOUNT
STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 02/28/07

		Actual <u>Current Month</u>	Cumulative <u>(Case to Date)</u>
Cash Flows From Operating Activities			
1	Cash Received from Sales		
2	Rent/Leases Collected		
3	Interest Received	\$3,136	\$10,795
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Pre-Petition Check Cleared by Bank after Account Closed		\$100,000
22	Return of Funds from Title Company		(\$8,900,000)
23	Principal Payments to Investors	\$242,500	\$9,837,500
24	Funding Assignments		(\$200,000)
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	(\$239,364)	(\$826,705)
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	(\$239,364)	(\$826,705)
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	(\$239,364)	(\$826,705)
45	Cash and Cash Equivalents at Beginning of Month	\$1,388,792	\$1,976,133
46	Cash and Cash Equivalents at End of Month	<u>\$1,149,428</u>	<u>\$1,149,428</u>

Note:

1 - Check cleared by Wells Fargo on April 19, 2006 and not returned to account by the bank.